

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
AT&T And Deutsche Telekom AG Seek FCC	)	WT Docket No. 11-65
Consent To The Transfer Of Control Of The	)	
Licenses And Authorizations Held By T-	)	
Mobile USA, Inc. And Its Subsidiaries to	)	
AT&T, Inc.	)	

**PETITION TO DENY OF  
NATIONAL HISPANIC MEDIA COALITION (“NHMC”)  
NATIONAL INSTITUTE FOR LATINO POLICY (“NiLP”)**

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## SUMMARY

NHMC and NiLP oppose AT&T's acquisition of T-Mobile because the harms that it would cause the public greatly outweigh the public interest benefits that it would arguably yield. A horizontal acquisition of this nature, between AT&T, the second largest mobile phone provider in the U.S., and T-Mobile, the fourth largest, would create a highly consolidated mobile telephone market. Consumers, especially itinerant consumers (as many Latino workers are), that rely on national providers to ensure that they can connect no matter their locale, would be forced to select from one of only three mobile phone providers.

Less competition in the mobile phone marketplace would lead to higher prices, fewer choices and poorer customer service at a time when consumers can least afford it. This would disproportionately harm Latino consumers. Latinos, more than any other demographic group, rely on mobile phones for communication, democratic participation, civic engagement and economic empowerment. Mobile phones have become a necessity for many individuals and families, and with 25% of Latinos living below the poverty line higher prices would be devastating. On average, Latinos pay \$104 per month for mobile phone services, already significantly more than any other demographic group. And of the four major national carriers, Latinos pay the highest rates on AT&T, averaging bills of \$120 per month, and the lowest on T-Mobile, averaging \$102. Thus, it should be no surprise that approximately 21-25% of T-Mobile's 34 million customers are Latino, compared to 12% of AT&T's customers. If this acquisition were approved, T-Mobile customers would have fewer choices for pricing plans and devices and would be subject to AT&T's documented history of poor customer service.

In addition, this acquisition would lead to layoffs even as the U.S. is trying to rebuild its vulnerable workforce. NHMC and NiLP welcome the increased number of union jobs that AT&T claims this acquisition would create, however, those jobs should not come at the expense

of layoffs and fewer overall employment opportunities in the telecommunications sector.

Unfortunately, countless Latinos and others stand to lose their jobs as a result of AT&T's plans to embrace the so-called "synergies" that this acquisition would produce. In the past decade both companies have hired large numbers of Latinos to staff and manage their retail stores and to provide bilingual customer service for billing and other issues. Now, AT&T is proposing to consolidate retail stores and billing systems, necessarily leading to layoffs and eliminating opportunities for new entrants.

AT&T is held in high regard amongst many Latino civil rights groups for various reasons, including its outreach to and generous philanthropic support of Latino-led and Latino-serving institutions, as well as its history of employing, promoting and retaining Latinos and other diverse individuals throughout its workforce. NHMC and NiLP acknowledge and appreciate AT&T's efforts within the Latino community, however, they do not nearly compensate for long-term harms that consumers, and particularly Latino consumers, will feel as a result of the acquisition.

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The National Hispanic Media Coalition (“NHMC”)<sup>1</sup> and the National Institute for Latino Policy (“NiLP”)<sup>2</sup> (together, “Petitioners”), pursuant to Section 309(d) of the Communications Act of 1934, as amended, 47 U.S.C. § 309(d), and Section 1.939 of the Federal Communications Commission’s (“FCC” or “Commission”) rules, 47 C.F.R. § 1.939, respectfully submit this petition to deny AT&T Inc.’s (“AT&T”) application for consent to acquire the licenses of T-Mobile USA, Inc. and its subsidiaries (“T-Mobile”). AT&T’s application suggests that its acquisition of T-Mobile will “benefit consumers and the American economy” and that the horizontal consolidation of AT&T and T-Mobile, the second and fourth largest wireless carriers in the nation, will promote competition in the mobile telephone marketplace.<sup>3</sup> Petitioners have

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<sup>1</sup> NHMC is a twenty-five year old, non-profit media advocacy organization whose mission is to improve the image of Latinos as portrayed by the media, increase employment opportunities for Latinos in the media and telecommunications industries, and advocate for media and telecommunications policies that benefit Latinos and other people of color. NHMC is online at [www.nhmc.org](http://www.nhmc.org).

<sup>2</sup> NiLP (formerly the Institute for Puerto Rican Policy) is a 501(c)(3) nonprofit and nonpartisan policy center established in 1982. One of the leading think tanks in the Latino community utilizing an action research model, NiLP is involved in a wide range of policy issues affecting the Latino community. NiLP is online at <http://www.latinopolicy.org/index.html>.

<sup>3</sup> *Acquisition of T-Mobile USA, Inc. by AT&T Inc., Description of Transaction, Public Interest Showing and Related Demonstrations*, Filed with the Federal Communications Commission at 1, 18, 47, 64, 97-98 (filed Apr. 21, 2011), available at

serious doubts about the accuracy of these claims and therefore urge the Commission to designate this proceeding for hearing and deny AT&T's application. Substantial evidence indicates that if AT&T and T-Mobile consolidate, then competition will further decrease, prices will rise (particularly for current T-Mobile subscribers), consumer choice and customer service will weaken, and Americans will lose jobs at a time when the U.S. economy can least afford it.

### **PETITIONERS' INTEREST IN THIS ACQUISITION**

NHMC's mission includes increasing employment opportunities for Latinos in the media and telecommunications industries and advocating for media and telecommunications policies that benefit Latinos and other people of color. NiLP is a leading think tank involved in a wide range of policy issues affecting the Latino community. Petitioners are parties of interest in this proceeding pursuant to 47 U.S.C. Section 309(d)(1).<sup>4</sup> As demonstrated in the attached affidavits,<sup>5</sup> petitioners' and their constituents will be harmed if AT&T is allowed to acquire T-Mobile. Petitioners' perspective on this acquisition is based primarily on how it will impact Latinos and other communities of color, which have long been on the wrong side of the infamous "digital divide."

Countless studies confirm that Latinos are adopting mobile phones at explosive rates,<sup>6</sup> and indeed mobile phone penetration in the Latino community hit 91% in 2010.<sup>7</sup> As Latinos

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<http://fjallfoss.fcc.gov/ecfs/document/view?id=7021240421> ("AT&T's Application").

<sup>4</sup> 47 U.S.C. § 309(d)(1) (2010).

<sup>5</sup> Available at App.A.

<sup>6</sup> For example, in 2010, 51% of English-speaking Latinos used their cell phones to access the Internet, as opposed to 40% in 2009. African-Americans followed a similar trajectory with 46% indicating that they had accessed the Internet from their cell phones in 2010, up from 37% in 2009. AARON SMITH, PEW INTERNET & AMERICAN LIFE PROJECT, MOBILE ACCESS 2010 4 (2010) ("Mobile Access 2010"); JOHN HARRIGAN, PEW INTERNET & AMERICAN LIFE PROJECT, WIRELESS INTERNET USE 28 (2009) ("Wireless Internet Use 2009").

continue to lag behind all other demographic groups in home broadband penetration,<sup>8</sup> many rely exclusively on mobile phones to access the internet.<sup>9</sup> Latinos use text messaging, mobile video and mobile internet more than any other demographic group,<sup>10</sup> and mobile phones are vital tools for Latinos' democratic participation, civic engagement and economic empowerment.<sup>11</sup>

Despite Latinos' mobile phone loyalty, they pay more for mobile phone service than any other group, and they pay the most on AT&T. Latinos' mobile phone bills average \$104 per month, compared to African Americans' (\$94), Native Americans' and Alaskan Natives' (\$93), Asians' and Pacific Islanders' (\$89) and whites' (\$88).<sup>12</sup> Of the four major national carriers, Latinos pay the highest rates on AT&T, averaging \$120 per month, and the lowest on T-Mobile,

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<sup>7</sup> PowerPoint: Jerry Rocha, *Mobile and Social in Hispanic America 2010*, The Nielsen Company & ad:tech New York at Slide 8, available at <http://www.slideshare.net/jerryrocha/hispanic-mobile-and-social-networking-for-ad-tech-11410> ("Nielsen PowerPoint").

<sup>8</sup> U.S. Department of Commerce, NTIA Research Preview, *Digital Nation: Expanding Internet Usage* at 2, 11 (Feb. 2011) (finding that Latinos are less likely to have broadband at home than any other minority group, and are far less likely to have it than whites and Asians: 68.3% of whites and 68.8% of Asians have broadband at home, compared to only 45.2% of Latinos, 46.1% of Native Americans, and 49.9% of African Americans), available at [http://www.ntia.doc.gov/reports/2011/NTIA\\_Internet\\_Use\\_Report\\_February\\_2011.pdf](http://www.ntia.doc.gov/reports/2011/NTIA_Internet_Use_Report_February_2011.pdf).

<sup>9</sup> See KRISTIN PURCELL, ROGER ENTNER & NICHOLE HENDERSON, THE RISE OF APPS CULTURE, PEW INTERNET & AMERICAN LIFE PROJECT AND THE NIELSEN COMPANY 19 (2010), available at [http://pewinternet.org/~media/Files/Reports/2010/PIP\\_Nielsen%20Apps%20Report.pdf](http://pewinternet.org/~media/Files/Reports/2010/PIP_Nielsen%20Apps%20Report.pdf) ("The Rise of Apps Culture"); Mobile Access 2010 at 4.

<sup>10</sup> Nielsen PowerPoint at Slide 13; Mobile Access 2010 at 4; Wireless Internet Use 2009 at 28; THE NIELSEN COMPANY, A SNAPSHOT OF HISPANIC MEDIA USAGE IN THE U.S. 3 (Sept. 2010), available at <http://www.slideshare.net/jrubin8877/public-nielsen-snapshot-of-hispanic-media-usage-in-the-us>.

<sup>11</sup> For instance, Voto Latino, a non-profit, non-partisan organization, uses mobile phone platforms to encourage millions of Latinos to register to vote and engage on social issues. Leading up to the 2008 Presidential Election, Voto Latino launched the "Text2Represent" campaign, which facilitated voter registration and civic discourse amongst Latinos all over the country through the use of text message alerts and reminders. Official Statement: Voto Latino Supports Net Neutrality, Jan. 15, 2010, available at <http://www.votolatino.org/internet/2010/01/15/official-statement-voto-latino-net-neutrality/>.

<sup>12</sup> Nielsen PowerPoint at Slide 4.

averaging \$102 per month (by way of comparison, Verizon's Latino customers pay an average of \$115 per month, Sprint's pay \$117).<sup>13</sup>

Given this pricing data, it is no surprise that T-Mobile is "dominating the share of the Hispanic wireless business, compared to its main competitors."<sup>14</sup> According to multiple data sets, 21-25% of T-Mobile's 34 million customers are Latino, as opposed to 16% of Sprint customers, 12% of AT&T customers and 9-10% of Verizon customers.<sup>15</sup> Through dialogue with their constituents, Petitioners understand that many Latinos choose T-Mobile over the other carriers because it has more flexible plans, more affordable rates and better customer service. In addition, in its relatively short life span, T-Mobile – though minimal in comparison to AT&T's legacy in this regard – has focused substantial time and resources on attracting Latino consumers, hiring Latino employees and supporting the Latino community.<sup>16</sup>

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<sup>13</sup> Nielsen PowerPoint at Slide 4.

<sup>14</sup> *Brand Profile: T-Mobile Reaches the Hispanic Market*, SME BRANDING (Sept.20, 2010), available at <http://www.smebranding.com/content/brand-profile-t-mobile-reaches-hispanic-market>.

<sup>15</sup> Michaela Mora, *T-Mobile is Popular Among Hispanics*, RELEVANT INSIGHTS (July 1, 2010), available at <http://relevantinsights.com/hispanics-and-tmobile>; Nielsen PowerPoint at Slide 5.

<sup>16</sup> T-Mobile has spearheaded digital literacy efforts in Latino communities. See *SABEResPODER and T-Mobile Partner to Launch a National Initiative that Delivers Spanish-Language Education to Latino Communities on Innovations in Wireless Service and Plans*, SABEResPODER (Mar. 8, 2011), available at <http://finance.yahoo.com/news/SABEResPODER-and-T-Mobile-prnews-1676189789.html?x=0&.v=3>. T-Mobile has opened hundreds of stores in Latino areas and engaged in efforts to recruit Latino entrepreneurs from those communities to manage the new retail outlets. See Richard Kaplan, *T-Mobile Pursues Hispanic Entrepreneurs . . . and Consumers*, HISPANIC BUSINESS (Dec. 18, 2008) ("T-Mobile Pursues Hispanic Entrepreneurs"). T-Mobile recently started opening stores that cater more to the needs of Latino consumers. These stores feature the tagline, "Estamos Juntos," and are designed to be an interactive learning experience for consumers, with bilingual signage and staff, and hands on product demos. See *HIT Mobile and T-Mobile Team Up to Open 1st Latino Playground Store in Cudahy*, FIERCEWIRELESS (June 28, 2010), available at <http://www.fiercewireless.com/press-releases/hit-mobile-and-t-mobile-team-open-1st-latino-playground-store-cudahy> ("Latino Playground").



Petitioners' opposition to this acquisition comes after extensive consideration of how it will impact the Latino community. To its credit, AT&T has presented a number of reasons for Latino-serving organizations to support its acquisition of T-Mobile. First, AT&T's outreach to and philanthropic support of the Latino community is abundant.<sup>17</sup> Second, according to AT&T's statistics, 39% of its employees are people of color, 12% are Latinos and 16% of its new hires are Latinos.<sup>18</sup> Third, the Communications Workers of America indicates that AT&T's acquisition of T-Mobile will create more union jobs.<sup>19</sup> And finally, AT&T avers that the acquisition will allow it to expand affordable broadband services to "the minority community."<sup>20</sup> On balance, however, Petitioners have determined that these short-term benefits are outweighed by the negative long-term harms that this acquisition will have on consumers, generally, and Latinos and other people of color in particular.

## DISCUSSION

Petitioners oppose this acquisition because it will negatively impact wireless telephony consumers and decrease employment opportunities in the wireless telephony sector. Extensive

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<sup>17</sup> Letter from Jim Cicconi and Cindy Brinkley, AT&T, to Alex Nogales, NHMC at 4-6 (May 24, 2011) (attached as App.B) (stating that in "2010, AT&T and its employees contributed nearly \$148 million through corporate-, employee-, AT&T- and AT&T Foundation-giving programs," that AT&T "has a strong legacy with organizations focused on the empowerment of the African-American, Hispanic, Asian and Asian American, active military, LGBT and American Indian communities" and that it contributed "\$46.8 million over the past three years to organizations that support the Hispanic community, including to numerous Hispanic-led and Hispanic-serving community organizations").

<sup>18</sup> Letter from Jim Cicconi and Cindy Brinkley, AT&T, to Alex Nogales, NHMC at 1.

<sup>19</sup> Press Release, Communications Workers of America (CWA), T-Mobile USA and AT&T Merger Means Faster and More Widespread Broadband (Mar. 20, 2011), *available at* <http://www.cwa-union.org/news/entry/t-mobile-usa-and-att-merger-means-faster-and-more-widespread-broadband> ("CWA Press Release").

<sup>20</sup> Letter from Jim Cicconi and Cindy Brinkley, AT&T, to Alex Nogales, NHMC at 5. Details of AT&T's adoption program remain vague, despite NHMC's request for more information. It is also unclear whether AT&T could institute this adoption program absent its acquisition of T-Mobile.

data – including slides from AT&T’s March 2011 presentation to its shareholders – indicate that the so-called “synergies” created by an AT&T and T-Mobile union would result in higher prices for mobile services, weaker customer choice and service for all of AT&T’s and T-Mobile’s customers, and overall job losses for Americans, resulting in less opportunity for employment in the telecommunications sector, including for Latino workers.

In fulfilling its statutory mandate to ensure that this acquisition serves “the public interest, convenience and necessity,”<sup>21</sup> the FCC should apportion great weight to these factors as it determines whether AT&T has proven that “the potential public interest benefits of the proposed transfer outweigh the potential public interest harms.”<sup>22</sup> Moreover, as so many Americans are struggling financially, particularly Latinos and African Americans, over 25% of whom are in poverty,<sup>23</sup> the FCC should ensure that it: (1) protects the most vulnerable consumers, such as the poor and people that speak limited English, so that they are not disproportionately harmed with higher prices, confusing choices and lackluster customer service; and (2) prevents layoffs.

# **I. FURTHER CONSOLIDATION IN THE MOBILE TELEPHONY MARKET WILL INFLATE PRICES AND WEAKEN CONSUMER CHOICE AND SERVICE**

AT&T suggests that its acquisition of T-Mobile would promote competition in the mobile telephony market and would lead to lower prices, more consumer choice and better customer

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<sup>21</sup> 47 U.S.C. §§ 214(a), 310(d) (2010).

<sup>22</sup> *Applications of Nextel Communications, Inc. and Sprint Corp.*, Memorandum, Opinion & Order, 20 FCC Rcd 13967, 14013 (2005) (describing Commission precedent).

<sup>23</sup> THE NATIONAL COUNCIL OF LA RAZA, RECESSION DRIVES UP POVERTY RATES AMONG LATINO FAMILIES 1 (Sept. 2010) (finding that the poverty rate increased from 13.2% in 2008 to 14.3% in 2009, that the Latino poverty rate increased from 23.2% in 2008 to 25.3% in 2009 and that in 2009 25.8% of blacks were in poverty), *available at* [www.nclr.org/images/uploads/publications/2009\\_Latino\\_Poverty\\_Analysis.pdf](http://www.nclr.org/images/uploads/publications/2009_Latino_Poverty_Analysis.pdf).

service.<sup>24</sup> However, the evidence demonstrates just the opposite. Indeed, AT&T's own materials suggest that if were to acquire T-Mobile that it would have to increase prices, reduce choices and streamline customer service to appease its shareholders. If this acquisition were approved, only three national wireless carriers would remain. AT&T and Verizon would control of 76% of the entire market, and Sprint would have another 16.4%.<sup>25</sup> Consumers, especially itinerant consumers (as many Latino workers are) that rely on national providers to ensure that they can connect no matter their locale, would have no choice but to subscribe to one of these three carriers.

This would equate to higher prices for mobile phone users, and particularly for Latinos, whom, despite their high levels of poverty, pay more than any other demographic group for mobile phone services – and pay the most on AT&T and the least on T-Mobile. And although AT&T has stated that it would honor T-Mobile's prices, T-Mobile's online Q&A page promises only to honor those contracts “for their applicable time periods.”<sup>26</sup> In a March 2011 presentation to its shareholders, AT&T explained that if it were to acquire T-Mobile it would work to increase its average monthly revenue per user from T-Mobile's current rate of \$12.80 per user to AT&T's

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<sup>24</sup> AT&T's Application at 1, 11, 14, 18-19, 36, 42, 56, 64, 70-71, 97-98; *see also* PowerPoint: Randall Stephenson, *AT&T + T-Mobile: A World-Class Platform for the Future of Mobile Broadband* at Slide 15 (Mar. 21, 2011) (suggesting that voice and text prices are decreasing while data prices are difficult to measure), *available at* [http://www.att.com/Common/about\\_us/pdf/INV\\_PRES\\_3-21-11\\_FINAL.pdf](http://www.att.com/Common/about_us/pdf/INV_PRES_3-21-11_FINAL.pdf) (“AT&T Presentation to Shareholders”).

<sup>25</sup> FREE PRESS, WHY THE AT&T-T-MOBILE DEAL IS BAD FOR AMERICA 1 (2010) (citing an SNL Kagan report to substantiate that at the end of 2010 Verizon had 33.6% of the market, AT&T had 31.4%, Sprint-Nextel had 16.4% and T-Mobile had 11.1%), *available at* <http://www.freepress.net/files/ATT-TMobile.pdf>.

<sup>26</sup> Press Release, T-Mobile, Q&A: More Information About AT&T Acquisition of T-Mobile USA (Mar. 20, 2011), *available at* <http://newsroom.t-mobile.com/articles/more-information-att-acquires-tmobile>.

current rate of \$17.50 per user.<sup>27</sup> Moreover, studies demonstrate that greater concentration in markets leads to higher prices for consumers,<sup>28</sup> and a recent international comparison of mobile phone plans and prices found that in countries whose markets are more competitive than the U.S., mobile phone companies have more innovative offerings and lower prices.<sup>29</sup>

Along with higher prices, consumers could also expect less choice from a combined AT&T-T-Mobile. Again, in its presentation to its shareholders, AT&T explained that it would shave costs by “device portfolio rationalization,” or in other words, limiting the number and type of phones available to its customers.<sup>30</sup> In an interview with one of its constituents who subscribes to T-Mobile, NHMC discovered that she intentionally chose T-Mobile after stints with AT&T and Verizon because T-Mobile “has more flexible plans,” more accommodating billing practices, and diverse opportunities for upgrades and line additions.<sup>31</sup>

Finally, in addition to higher prices and fewer choices, a combined AT&T-T-Mobile likely would result in unsatisfactory customer service for all AT&T-T-Mobile customers. Some surveys name AT&T the worst in customer service and T-Mobile the best, one finds both to be terrible, but either way, customers should be concerned about their ability to obtain quality customer service. This is especially true as AT&T plans to consolidate its billing system,<sup>32</sup> necessarily diminishing support for billing inquiries. In December, based on a survey of 58,000

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<sup>27</sup> AT&T Presentation to Shareholders at 26.

<sup>28</sup> Matthew Weinberg, *The Price Effects of Horizontal Mergers*, 4 OXFORD JOURNAL OF COMPETITION LAW AND ECONOMICS 2, 433, 442 (2008), available at <http://jcle.oxfordjournals.org/content/4/2/433.abstract>.

<sup>29</sup> Chiehyu Li & Bincy Ninan-Moses, *An International Comparison of Cell Phone Plans and Prices*, NEW AMERICA FOUNDATION (Oct. 14, 2010), available at <http://news.consumerreports.org/electronics/2010/12/consumer-reports-cell-phone-survey-att-worst.html>.

<sup>30</sup> AT&T Presentation to Shareholders at 29.

<sup>31</sup> See, e.g., Affidavit of Vanessa Martinez Bell at App.A.

<sup>32</sup> AT&T Presentation to Shareholders at 29.

individuals, Consumer Reports found that AT&T is the worst carrier when it comes to customer service.<sup>33</sup> A J.D. Power and Associates survey ranked T-Mobile as the best in customer care, and ranked AT&T poorly.<sup>34</sup> According to that survey, T-Mobile ranked first in Wireless Retail Sales Satisfaction for four years running, mostly because of much higher than average customer satisfaction with the cost of services.<sup>35</sup> T-Mobile also ranked higher in part because its salespeople devote a substantial amount of time to educating customers about new devices and services.<sup>36</sup> AT&T ranked significantly lower in all categories measures.<sup>37</sup> This J.D. Power and Associates survey tracks closely the feedback that Petitioners received from their constituents, however, another study found that both providers ranked poorly in 2011.<sup>38</sup>

## **II. FURTHER CONSOLIDATION IN THE MOBILE TELEPHONY MARKET WILL LEAD TO LAYOFFS**

AT&T asserts that its acquisition of T-Mobile would lead to more job opportunities at AT&T-T-Mobile, and that it would bring more union jobs into the telecommunications industry.<sup>39</sup> At a May 19, 2011 meeting between AT&T and the National Hispanic Leadership

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<sup>33</sup> *Consumer Reports cell-service Ratings: AT&T is the worst carrier*, CONSUMER REPORTS (Dec. 6, 2010), available at <http://news.consumerreports.org/electronics/2010/12/consumer-reports-cell-phone-survey-att-worst.html>.

<sup>34</sup> *2011 U.S. Wireless Customer Care Performance Study*, J.D. POWER AND ASSOCIATES, available at <http://www.jdpower.com/Telecom/ratings/Wireless-Customer-Care-Ratings-%28Volume-1%29/> (“2011 J.D. Power & Associates Performance Study”).

<sup>35</sup> Press Release, J.D. Power and Associates Reports: Spending Sufficient Time Explaining Mobile Device Operation Is Critical to Higher Satisfaction with the Wireless Retail Sales Process, (Feb. 17, 2011), available at <http://businesscenter.jdpower.com/JDPAContent/CorpComm/News/content/Releases/pdf/2011016-wrss.pdf>.

<sup>36</sup> *Id.*

<sup>37</sup> 2011 J.D. Power & Associates Performance Study.

<sup>38</sup> *May 2011 and Historical ACSAI Scores*, THE AMERICAN CUSTOMER SATISFACTION INDEX, available at [http://www.theacsi.org/index.php?option=com\\_content&view=article&id=205:acsi-scores-may&catid=14&Itemid=261](http://www.theacsi.org/index.php?option=com_content&view=article&id=205:acsi-scores-may&catid=14&Itemid=261) (last updated May 17, 2011).

<sup>39</sup> AT&T’s Application at 1, 10, 19, 54, 56-57, 61; Communications Workers of America, *Sprint or AT&T: The Real Story Behind the Proposed AT&T/T-Mobile Merger* (2011), available at

Agenda (“AT&T-NHLA Meeting”),<sup>40</sup> a coalition of leading national Latino civil rights organizations to which both Petitioners belong, AT&T informed Petitioners that currently 60% of its employees are unionized and 40% are not. Petitioners fully support and welcome more union jobs in this sector, however, they are concerned that these union jobs will come at the expense of fewer overall employment opportunities in the telecommunications sector, along with substantial layoffs at AT&T-T-Mobile. Undeniably, AT&T is infamous for shedding its workforce even in times of distinct success: between 2007 and 2009 it reduced its workforce by 20,500 people despite making \$36.5 billion in profit in that same period.<sup>41</sup> Even the Communications Workers of America, which represents AT&T’s unionized workforce and is supporting the acquisition, has avoided this difficult question, stating only that “[t]here is not enough publicly available information to determine the actual impact of the merger on jobs.”<sup>42</sup>

On the contrary, publicly available data does exist regarding how this acquisition would impact jobs, indicating that it would lead to layoffs and fewer employment opportunities at AT&T-T-Mobile. Indeed, AT&T’s own statements reveal that it would have to cut jobs to make this deal palatable to its investors. For instance, AT&T’s CEO, Randall Stephenson, directly admitted that the acquisition would lead to “redundancies” resulting in cutbacks.<sup>43</sup> Additionally,

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<http://files.cwa-union.org/national/issues/PolicyIssues/Telecom/TheRealStoryBehindTheATT-TMobileMerger.pdf>.

<sup>40</sup> See App.C for AT&T-NHLA Meeting Agenda.

<sup>41</sup> MEDIA AND DEMOCRACY COALITION, FCC MUST PROTECT ENTREPRENEURS FROM INTERNET SERVICE PROVIDERS’ UNFAIR PRACTICES 1 (2010), available at [http://www.media-democracy.net/files/Protect%20Net%20from%20ISPs.FINAL\\_.pdf](http://www.media-democracy.net/files/Protect%20Net%20from%20ISPs.FINAL_.pdf).

<sup>42</sup> COMMUNICATIONS WORKERS OF AMERICA, THE AT&T/T-MOBILE MERGER: BENEFITS FOR CONSUMERS AND WORKERS 5 (Apr. 2011), available at <https://prodnet.www.neca.org/publicationsdocs/wwpdf/52011cwa.pdf>.

<sup>43</sup> Todd Shields & Jeff Bliss, *AT&T’s Bid for T-Mobile May Raise Wireless Prices*, *Lawmakers Say*, BLOOMBERG, May 26, 2011 (describing Stephenson’s testimony at the May 26, 2011 House Judiciary Committee hearing), available at <http://www.bloomberg.com/news/2011-05-26/at-t-s-bid-for-t-mobile-may-raise-wireless-prices-lawmakers-say.html>.

at a shareholder meeting in March of this year, AT&T explained that it would grow T-Mobile's margins, which in 2010 were at 29.2% compared to AT&T's 40.7%, by embracing "synergy opportunities across marketing, customer support and operations."<sup>44</sup> These "synergy opportunities" include "retail store rationalization" and "billing system consolidation,"<sup>45</sup> or in other words, closing duplicative retail stores and terminating duplicative billing employees. AT&T states that it expects that most of its "required force reductions" would "be achieved through natural attrition."<sup>46</sup>

At the AT&T-NHLA Meeting, Petitioners asked how it would be possible for the company to rely on natural attrition alone to achieve workforce reductions. AT&T executives conceded that they expect "some layoffs" but would not estimate how many. They said that executives would be let go, but that they "do not expect that" layoffs should affect lower level employees. Yet, one must wonder what AT&T would do when confronted with the common scenario of a T-Mobile and an AT&T store in close proximity, requiring retail store rationalization. AT&T suggests that rationalized stores would retain employees from both locations, moving them together into one store, but is that really feasible? And what would happen to store managers and assistant managers? Would the rationalized stores continue to carry a payroll with two managers and multiple assistant managers? This seems unlikely, and insofar as many AT&T and T-Mobile retail store employees and managers were specifically recruited because they are Latinos, are Spanish-speakers and can attract more of the growing

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<sup>44</sup> AT&T Presentation to Shareholders at 29.

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

Latino market,<sup>47</sup> Petitioners are concerned that their jobs, in particular, would be in peril if this acquisition were permitted.

Thus it seems that natural attrition alone would be insufficient to trim a combined AT&T-T-Mobile workforce to numbers that would be acceptable to AT&T shareholders, and that a number of AT&T and T-Mobile employees would be involuntarily forced out of their positions. Even if AT&T uses natural attrition alone, this acquisition would nonetheless result in net job losses in the long run. As employees retire and quit, instead of looking for additional talent to fill their shoes, AT&T would eliminate those positions, necessarily leading to fewer opportunities for new entrants of all qualification levels to come into this sector.<sup>48</sup>

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<sup>47</sup> See Letter from Jim Cicconi and Cindy Brinkley, AT&T, to Alex Nogales, NHMC at 7 (explaining that AT&T has converted more than 700 of its retail stores to “bilingual stores, enabling our Hispanic customers to more easily interact with us”); *see also* T-Mobile Pursues Hispanic Entrepreneurs (indicating that T-Mobile has opened hundreds of stores in Latino areas and engaged in efforts to recruit Latino entrepreneurs from those communities to manage the new retail outlets); Latino Playground (noting that T-Mobile recently started opening stores that cater more to the needs of Latino consumers. These stores feature the tagline, “Estamos Juntos,” [“We Are Together”] and are designed as interactive learning experience for consumers, with bilingual signage and staff, and hands on product demos).

<sup>48</sup> Ironically, this could harm AT&T’s excellent record of 90% retention of its Latino employees. Letter from Jim Cicconi and Cindy Brinkley, AT&T, to Alex Nogales, NHMC at 1.



## CONCLUSION

For the foregoing reasons, Petitioners urge designation for a hearing and denial of AT&T's application, as the public interest harms of this acquisition are too severe to be offset by the potential benefits.

Respectfully Submitted,

Fabiola Rivas  
J.D. Candidate 2012  
American University –  
Washington College of Law

May 31, 2011

/s/  
\_\_\_\_\_  
Jessica J. González, Esq.  
Michael J. Scurato, Esq.  
National Hispanic Media Coalition  
55 South Grand Avenue  
Pasadena, CA 91105  
(626) 792-6462

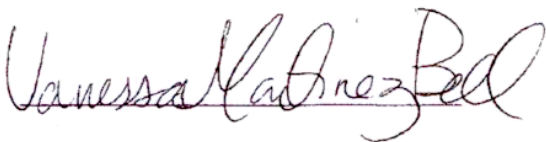
## APPENDIX A

### AFFIDAVIT OF VANESSA MARTINEZ BELL

1. I, Vanessa Martinez Bell, am a constituent of the National Hispanic Media Coalition. I reside at 4370 South Grand Canyon, Las Vegas NV 89117.
2. I live in an area where I can obtain wireless phones and service from either AT&T, Inc. (AT&T) or T-Mobile USA, Inc. (T-Mobile).
3. I currently own and use a wireless phone that I purchased from T-Mobile. I, also, currently subscribe to one of T-Mobile's mobile service plans that includes voice, text messaging, and data functionality.
4. I used to be a customer of Verizon Wireless and AT&T, when it was known as Cingular Wireless. I switched to T-Mobile over the other carriers because it has more flexible plans, more affordable rates, and better customer service.
5. I plan to continue to use T-Mobile as my wireless service provider. My experience with T-Mobile has been far superior to my experiences with other providers. T-Mobile has superior customer service and periodically contacts me to make sure that I am satisfied with my service. T-Mobile offers more flexibility for plans, billing practices, adding additional lines, and upgrades. Finally, T-Mobile offers this superior experience at a far lower price than I was paying with other carriers.
6. Allowing AT&T to purchase T-Mobile harms me by sharply reducing competition in the wireless services industry and limiting my choice as a consumer. For wireless services, I would be forced to decide between AT&T, a company that I have already rejected, or transition to one of the few other national providers, such as Verizon, another company that I have rejected in the past. Like many Americans, I travel often and have moved back and forth between different regions of the country, so a regional provider, with a limited service area and roaming fees, would not be a viable alternative for me. If I decide to leave AT&T, I would be forced to choose between the two remaining national providers and accept higher prices, more strict policies, a smaller choice of handsets, less innovative features, and inferior customer service.
7. I have read and support the foregoing Petition to Deny and I have personal knowledge of the facts contained herein.

This statement is true to my personal knowledge, and is made under penalty of perjury of the laws of the United States of America.

Date Executed: May 31, 2011

A handwritten signature in cursive script, reading "Vanessa Martinez Bell". The signature is written in dark ink and is positioned above the printed name.

Vanessa Martinez Bell

## **AFFIDAVIT OF ANGELO FALCÓN**

1. I, Angelo Falcón, am President of the National Institute for Latino Policy (NiLP). I reside at 337 South 4<sup>th</sup> Street, Brooklyn, NY 11211.
2. NiLP is a leading policy center involved in a wide range of policy issues affecting the Latino community, established in 1982. In my capacity as President of NiLP, I represent the interests of a broad range of people across the country by disseminating important information and advocating for policies important to the Latino community. This Petition to Deny is filed on behalf of me and my constituents.
3. Within NiLP's constituency are many users of wireless phones who subscribe to services offered by many national and regional wireless carriers, including AT&T and T-Mobile.
4. I currently own and use a wireless phone and subscribe to AT&T's mobile service.
5. Allowing AT&T to purchase T-Mobile harms my constituents by sharply reducing competition in the wireless services industry and limiting their choices as a consumer. Many of them who subscribe to T-Mobile's services would be forced to remain with AT&T or move on to one of the other remaining national providers. For many, a regional provider with a limited service area and roaming fees would not be a viable alternative. They would have to accept higher prices, more strict policies, a smaller choice of handsets, less innovative features, and inferior customer service.
6. I will personally be harmed by the proposed transaction as my current wireless carrier will face less competition and gain the market power necessary to unilaterally raise prices, disregard calls to innovate, and participate in other anticompetitive behavior.
7. I have read and support the foregoing Petition to Deny and I have personal knowledge of the facts contained herein.

This statement is true to my personal knowledge, and is made under penalty of perjury of the laws of the United States of America.

Date Executed: May 31, 2011

A handwritten signature in black ink, appearing to be 'A. Falcón', enclosed within a large, loopy circular stroke.

Angelo Falcón

## **AFFIDAVIT OF JESSICA J. GONZÁLEZ**

1. I, Jessica J. González, am Vice President of Policy & Legal Affairs of the National Hispanic Media Coalition (NHMC). NHMC is headquartered at 55 South Grand Avenue, Pasadena, California 91105 and has chapters and constituents across the nation. I reside at 3103 Spring Drive, Alexandria, Virginia 22306.
2. NHMC is a 25-year-old non-profit, non-partisan organization dedicated to improving the image of Latinos as portrayed by the media, increasing employment opportunities for American Latinos in the media and telecommunications industries, and advocating for policies that benefit American Latinos and other people of color. In my capacity as Vice President of Policy & Legal Affairs of NHMC, I represent the interests of a broad range of constituents across the country, and Latinos in particular. This Petition to Deny is filed on behalf of me and my constituents.
3. Within NHMC's constituency are many users of wireless phones who subscribe to services offered by many national and regional wireless carriers, including AT&T and T-Mobile.
4. I currently own and use a wireless phone and subscribe to Verizon's mobile services.
5. Allowing AT&T to purchase T-Mobile harms my constituents by sharply reducing competition in the wireless services industry and limiting their choices as consumers. Many of them who subscribe to T-Mobile's services would be forced to remain with AT&T or move on to one of the other remaining national providers. For many, a regional provider with a limited service area and roaming fees would not be a viable alternative. They would have to accept higher prices, stricter policies, a smaller choice of handsets, less innovative features, and inferior customer service.
6. I will personally be harmed by the proposed transaction as my current wireless carrier will face less competition and gain the market power necessary to unilaterally raise prices, disregard calls to innovate, and participate in other anticompetitive behavior.
7. I have read and support the foregoing Petition to Deny and I have personal knowledge of the facts contained herein. The factual assertions in the Petition to Deny of which official notice may not be taken are true to the best of my knowledge. In particular, I was present at the meeting between AT&T and NHLA and can attest to the factual assertions in the Petition to Deny relating to that meeting.

This statement is true to my personal knowledge, and is made under penalty of perjury of the laws of the United States of America.

Date Executed: May 31, 2011



Jessica J. González

## **APPENDIX B**



May 24, 2011

Mr. Alex Nogales  
President & CEO  
National Hispanic Media Coalition  
1201 West Fifth Street - Suite T-205  
Los Angeles, CA 90017

Dear Mr. Nogales,

AT&T's plan to acquire T-Mobile USA has generated interest from several quarters – including organizations committed to diversity and inclusion. At AT&T, we are extremely proud of our long history of leadership in diversity management, so we wanted to share with you a detailed view of our current diversity landscape and priorities, as well as the positive impact the acquisition will have on our customers, employees, suppliers and the communities we serve.

At AT&T, diversity management is a business imperative. It is a driver of all that we do, with particular impact in five key areas: workforce and recruiting, supply chain, philanthropy, governance and leadership accountability.

#### Workforce and Recruiting

AT&T has long understood that innovation and sustainable growth are driven by a workforce that reflects our communities and customer base. AT&T is proud to have more full-time bargained-for jobs than any other private company in America. We have established goals for our workforce of 45 percent women and 30 percent people of color. These goals were set against a benchmark of the U.S. workforce that has at least a high school education. Our workforce is reflective of that U.S. benchmark: 41 percent of our workforce is female and 39 percent are people of color, with 12 percent being Hispanic – accounting for more than 30,000 employees at all levels of the company. Based upon 2010 Department of Labor data, Hispanics with at least a high school degree are 10 percent of the U.S. workforce. According to benchmarking data from DiversityInc, the Top 50 companies for diversity boast an average 10 percent Hispanic employee base, compared to 12 percent at AT&T. The retention rate for our Hispanic employees is above 90 percent, one of the highest in the company.

AT&T is deliberate in its efforts to identify and recruit a diverse workforce. Out of 28,000 new hires in 2010, 43 percent were female and 47 percent were people of color, with 16 percent being Hispanic. This is the result of the aggressive approach we take to generate a diverse candidate pool. To identify and recruit Hispanics, last year the company placed thousands of advertisements in dozens of publications focused on that market. Further, in 2010, AT&T sponsored diversity conferences and recruiting events across the country, including but not limited to:

- National Hispanic Business Association (NHBA)
- National Hispanic Professional Association (NHPO)
- National Society of Hispanic MBA's (NSHMBA)



- Hispanic Professional Networking Group (HPNG)
- National Association of Multicultural Engineering (NAMEPA)
- HENAAC (Great Minds in STEM)

Other examples of our focus on developing a diverse pipeline of talent include our Leadership Development Program (LDP) and robust mentoring efforts. The LDP focuses on building a strong and diverse leadership bench across the enterprise. Designed for recent college and MBA graduates, this rotational program identifies high achievers with outstanding leadership potential. Since 1988, hundreds of employees have successfully completed the program – 41 percent of whom have been women, nearly half of whom have been people of color, with 13 percent being Hispanic.

Several mentoring programs ensure employees from across the company have the opportunity to learn from and be guided by fellow employees and senior leaders. Across the company, 32.4 percent of our employees and 23.3 percent of our managers are involved in mentoring relationships. Our senior officers are also actively involved in mentoring employees through “mentoring circles” with our Employee Resource Groups. In addition, those managers that have been identified as potential future leaders receive either one-on-one or group mentoring. We establish these mentoring relationships using a sophisticated matching program, which we have also made available to our Employee Resource Groups. And finally, mentoring is deeply embedded in our various leadership development programs – including the LDP program mentioned above. The strategy behind these mentoring efforts is simple: Build a diverse pipeline of leaders that will ensure continued innovation and growth for generations to come.

We are honored that these efforts have been recognized nationally. Here is a list of some of our most recent awards and recognition:

- AT&T captured several top honors in The DiversityInc 2011 Top 50 Companies for Diversity®, a ranking of diversity practices among U.S. companies, including ranking No. 4 overall, and No. 6 in The DiversityInc Top 10 Companies for Latinos/Hispanics.
- Council of Urban Professionals awarded AT&T with the Corporate Diversity & Inclusion Leadership Award.
- NAFE – Female Executives named AT&T in Top 50 Companies for Executive Women list.
- Woman Engineer Magazine ranked AT&T No. 33 in their Top 50 Employers list.
- AT&T was recognized by *Profiles in Diversity Journal* with the Diversity Leader Award.
- AT&T was ranked in the Top 10 in the HACR Corporate Equality Index by the Hispanic Association on Corporate Responsibility in 2010 and 2011.
- AT&T was ranked No.2 in the Hispanic Business Diversity Elite.
- AT&T was ranked No. 74 in G.I. Jobs’ Top 100 Military Friendly Employers.
- AT&T was ranked the No. 1 Learning Elite organization by Chief Learning Officer Magazine.

#### Supplier Diversity

Since 1968, AT&T's global supplier diversity efforts have led the way in promoting, increasing and improving participation of minority, women, and disabled veteran-owned business enterprises (MBE, WBE and DVBES) in its corporate supply chain.





- In 2010 we increased our supplier diversity spend by 34 percent to \$9.2 Billion, representing 18.8 percent of our total spend.
- AT&T is a member of the Billion Dollar Roundtable, a supplier diversity think tank of corporations that spend more than \$1 billion annually with diverse companies. Only 17 companies across the nation qualify at this level.
- AT&T is a member of the National Minority Supplier Diversity Council (NMSDC), serving as an active member of the national council and 18 of its regional purchasing councils around the country. NMSDC recently recognized AT&T's supplier diversity leadership naming us the Corporation of the Year for 2010.
- AT&T supports several supplier diversity development programs around the country, and in recent years, AT&T has provided more than a million dollars in support to programs that help minority business entrepreneurs become more competitive and successful in the free enterprise system. These programs and scholarships are granted to leading-edge business schools to provide expert coaching and tangible business benefits to incumbent and prospective diversity suppliers, such as the Management Development Program for Entrepreneurs of the Harold Price Center at UCLA's Anderson School.
- AT&T has one of the most aggressive supplier diversity goals in the industry, working to reach 21.5 percent of spending with diverse suppliers. Our diversity spending goals are:
  - 15 percent with Minority Business Enterprises (MBE)
  - 5 percent with Women Business Enterprises (WBE)
  - 1.5 percent with Disabled Veteran Business Enterprises (DVBE)

We have a long history of focus on increasing our supplier diversity spend with the Hispanic community, and will continue doing so. Following previous acquisitions, AT&T has expanded its supplier diversity programs. Following the SBC-AT&T merger in 2005, total supplier diversity spending increased by \$500 million. Following the AT&T-BellSouth merger, total supplier diversity spending increased nearly \$2 billion (65 percent).

We are honored that these efforts have been recognized nationally. Below is a list of some of our most recent awards and recognition:

- DiversityInc ranked AT&T No. 2 in the Top 10 Companies for Supplier Diversity.
- DiversityBusiness.com ranked AT&T No. 2 in the Top 50 Companies for Multicultural Businesses.
- The Gold Coast Veterans Foundation awarded AT&T the George Washington Award.
- Vetrepreneur Magazine named AT&T one of the 10 Best Corporations for Veteran-Owned Businesses in 2006, 2007, 2009 and 2010. We were named to the list for our unwavering support of veteran-owned businesses. Only nine other companies received this recognition.
- Women Business Enterprise National Council (WBENC) recognized AT&T as one of America's Top Corporations for Women Business Enterprises. We have earned this recognition for 11 consecutive years since the list's inception.

AT&T is committed to promoting and improving the quality and overall participation of Hispanic enterprises in our supply chain. Providing opportunities for diverse businesses is a part of AT&T's strategy to deliver the best for our customers.



AT&T will enhance supplier diversity in its supply chain, increasing the amount spent on diverse business, including Hispanic-owned enterprises. On a nationwide basis, AT&T will deploy the following diversity programs to:

- **Strengthen supplier development** by developing and sourcing existing and new Hispanic-owned enterprises. Increasing their capabilities through technical assistance and capacity building initiatives with an emphasis on improving business operations and enhancing their ability to win corporate contracts.
- **Expand diverse spend** in underutilized areas such as: legal, finance, advertising and emerging technology, including a partnership program to develop and mentor diverse suppliers to bid on divested properties in the telecom sector at large.
- **Sponsor Matchmaking events** which connect AT&T buyers and key prime suppliers with Hispanic owned businesses.

#### Community and Philanthropy

AT&T has long been committed to our communities, and that commitment is reflected in our outreach to diverse populations. Three years ago we launched AT&T Aspire to address the high school dropout problem, particularly acute among minorities. At that time, we committed \$100 million to the issue – creating the largest education initiative in our history.

AT&T Aspire includes a job-shadowing initiative for 100,000 students, to help them understand how classroom lessons can lead to success in the workplace. To date, more than 72,000 students have been reached through our Job Shadow program.

In 2009, the AT&T Foundation partnered with the Hispanic Scholarship Fund (HSF) to offer scholarships to Hispanic/Latino children and stepchildren of employees in an effort to increase the racial and ethnic impact of the Foundation scholarship awards. The program offers 50 one-time scholarships with the ability to reapply for up to 3 years or until a bachelor's degree is earned.

Since 1972, AT&T has run the AT&T Labs Fellowship Scholarship Program offering three-year fellowships to outstanding underrepresented minority and women students pursuing PhD studies in computing and communications-related fields. ALFP fellows are partnered with a technical staff member to serve as their mentor for the duration of the program. In addition to one-on-one mentoring, the fellowship pays all education expenses, books, fees, as well as a living stipend. Each recipient participates in a summer internship the first summer in the program, working in a research team at AT&T Labs Research.

Dr. Mary Fernandez, AT&T Labs researcher/scientist is a product of the ALFP program, which was one of the first programs aimed at women and minorities underrepresented in sciences and technology. The completion rate is approximately 75 percent, making it one of the company's most successful fellowship programs.

In addition, AT&T believes that achieving universal broadband adoption should be one of the nation's highest broadband policy priorities. AT&T also believes that adoption is particularly critical



for historically disadvantaged communities, including racial and ethnic minorities. Broadband helps people find jobs, obtain healthcare information, improve their education, learn new skills, interact with government agencies, participate in community activities, and keep in touch with relatives and friends around the world.

AT&T is proud of its long history of supporting and participating in adoption programs focused on expanding broadband access and improving digital literacy across the country. Following the T-Mobile acquisition, we intend to continue our commitment to adoption programs that help underserved communities bridge the digital divide. AT&T plans to pursue an adoption program that includes outreach, affordable broadband services, and training to help foster broadband adoption within the minority community.

Additional philanthropic efforts and commitments include:

- Since 1996, AT&T and the AT&T Foundation have distributed more than \$494 million in grants to support new classroom technology, after-school programs, teacher training and many other educational endeavors.
- In 2010, AT&T and its employees contributed nearly \$148 million through corporate-, employee-, AT&T- and AT&T Foundation-giving programs. AT&T has a strong legacy with organizations focused on the empowerment of the African-American, Hispanic, Asian and Asian American, active military, LGBT, and American Indian communities. This included \$46.8 million over the past three years to organizations that support the Hispanic community, including to numerous Hispanic-led and Hispanic-serving community organizations.
- With more than \$1 million in contributions to projects that enhance girls' education opportunities in math and science, we provide training for girls to acquire technology skills, and support woman-owned businesses through training and incubation initiatives.

We are honored to receive recognition for our leadership and the contributions we make to increase opportunities in the community, workplace and marketplace. Below is a list of some of our 2010 awards and recognition:

- Points of Light Institute Corporate Engagement Award of Excellence
- Carbon Disclosure Project's Carbon Disclosure Leadership Index
- Dow Jones Sustainability Index
- Education Commission of the States Corporate Award
- *Fortune* Magazine's Most Admired Companies, Top 50
- Hispanic Engineer National Achievement Awards Corporation Outstanding Technical Achievement Award
- Presidential Volunteer Service Award, Gold level for employee volunteerism
- The AT&T Foundation was listed as one of the Top 20 Corporate Foundations in the United States by Total Giving in 2009.



We have a legacy of supporting the communities where we live and work, and we look forward to continuing that legacy. We will continue to look for opportunities where our funds will have a substantial and meaningful impact, and our current commitments will continue to be met.

#### Governance and Leadership Accountability

Ensuring continued leadership in diversity management requires that our leadership team include diverse people and opinions and that we have strict governance and accountability. To that end, two of our three business units CEOs are people of color; of our 12 board directors, one is Hispanic, two are African-Americans, and four are women. Our officer team also reflects this diversity, being composed of 24 percent women, 16 percent people of color and 5 percent Hispanics.

Two board committees – Human Resources and Public Policy – have oversight responsibilities for diversity management within AT&T.

Importantly, we have a structure in place to hold leaders accountable for diversity management.

- Our chairman & CEO Randall Stephenson chairs an internal Inclusion Council to ensure accountability and results and in 2009 he chaired the Hispanic Association on Corporate Responsibility's CEO Roundtable
- Part of senior executive compensation is based on achieving diversity results.
- A scorecard is distributed quarterly to business unit leaders, outlining progress against their unit-specific diversity and leadership development goals.
- More than 10,000 minority employees are in 10 Employee Resource Groups. Group leaders set objectives to help us build a pipeline of diverse leaders.
- HACEMOS, the Hispanic Employee Resource Group, is made up of approximately 1,500 employees in 24 chapters across the US. Their mission is to foster an environment where people support and encourage each other to succeed professionally, personally, and in the community. HACEMOS was awarded Top Latino ERG by U.S. Hispanic Chamber of Commerce 2010 ERG Challenge.
- Other AT&T Employee Resource Groups include:
  - APCA - Asian Pacific Islanders for Professional and Community Advancement
  - AT&T Veterans
  - Community NETWORK - African American Telecommunication Professionals of AT&T
  - FACES - Filipino American Communications Employees of AT&T
  - ICAE - Inter-Tribal Council of AT&T Employees
  - IDEAL - Individuals with Disabilities Enabling Advocacy Link
  - LEAGUE at AT&T - The Lesbian, Gay, Bisexual, Transgender (LGBT) and Allies Organization of AT&T
  - OASIS - Organization of Asian Indians at AT&T
  - Women of AT&T

In addition, we are accountable to our diverse customer base.

- We provide customer care in more than 160 languages to better serve our customers.
- We advertise in the most widely spoken languages in the U.S. And, not only do we purchase advertising in targeted media, we also ensure that the messages are relevant to



the Hispanic community and we are mindful of how this community uses our products and services.

- We have converted more than 700 retail stores to bilingual stores, enabling our Hispanic customers to more easily interact with us.
- We have a Spanish-language Web site and a global site that supports Russian, Polish and five Asian languages.
- Sponsorships such as the AT&T-branded 28 Days, a Black History Month Celebration, or the San Francisco Chinatown's annual Autumn Moon Festival, or Los Angeles' Fiesta Broadway allow AT&T to inform consumers about products and services by connecting with them through meaningful moments in a culturally relevant way. At the same time, it gives us the opportunity to support diverse talent and help communities maintain their connections to cultural traditions.

#### Conclusion

Evidence of AT&T's commitment to best-in-class diversity management is widespread and significant: In each of the last three years, for example, DiversityInc has named AT&T one of the top five companies in corporate America for overall leadership in diversity management. In addition, leading organizations representing Hispanics, African Americans, women and LGBT individuals have all applauded AT&T's leadership in diversity management.

Our success derives from a simple and straightforward proposition: We know that business-driven diversity management makes AT&T a stronger, more competitive company, and is essential to our culture and success. Further, being a leader in diversity management helps AT&T become an employer of choice, a preferred business partner and important contributor to the community. And, importantly, it enables us to continue to drive innovation and success by ensuring we include a wide range of perspectives.

Our track record is strong, and this acquisition will enable us to do even more – to set the bar even higher – as we commit to bring AT&T diversity and inclusion best practices to the new merged entity, benefiting our customers, employees, suppliers and communities.

It's all part of our Rethink Possible approach, and it's a commitment we take seriously.

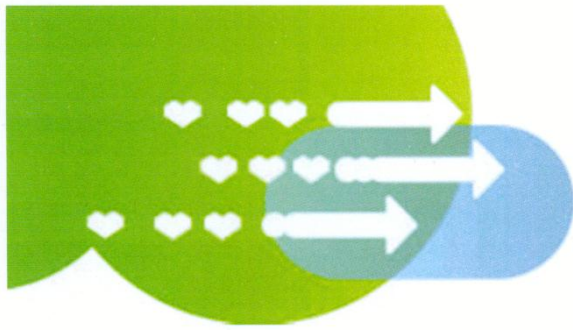
**Jim Cicconi**

SEVP-External & Legislative Affairs

**Cindy Brinkley**

SVP-Talent Development & Chief Diversity Officer

## APPENDIX C



## Meeting with National Hispanic Leadership Agenda (NHLEA)

Thursday, May 19, 2011  
AT&T Innovation Center  
1133 21st Street, NW  
2nd Floor  
Washington, DC

### Agenda

#### Welcome

Norelie Garcia, Associate Vice President for Federal Public Affairs

#### Remarks

Carol Wilner, Vice President, Federal and National Third Party

#### Overview of T-Mobile Acquisition

Joan Marsh, Vice President of Federal Regulatory Affairs

#### A Perspective from Henry Rivera

Chair, Minority Media and Telecommunications Council

#### Q&A

#### Closing



## CERTIFICATE OF SERVICE

I, Jessica J. González, hereby certify that the foregoing Petition to Deny was served upon the following parties via Fed Ex and electronic mail on this 31<sup>st</sup> day of May, 2011:

Peter J. Schildkraut  
Arnold & Porter LLP  
555 Twelfth Street NW  
Washington, DC 20004  
*Counsel for AT&T Inc. and  
AT&T Mobility Spectrum LLC*

Nancy J. Victory  
Wiley Rein LLP  
1776 K Street N  
Washington, DC 20006  
*Counsel to Deutsche Telekom AG and  
T-Mobile USA, Inc.*

Additionally, I sent copies of the foregoing Petition to Deny by electronic mail to:

Kathy Harris  
Mobility Division  
Wireless Telecommunications Bureau  
Federal Communications Commission  
[kathy.harris@fcc.gov](mailto:kathy.harris@fcc.gov)

Kate Matraves  
Spectrum and Competition Policy Division  
Wireless Telecommunications Bureau  
Federal Communications Commission  
[catherine.matraves@fcc.gov](mailto:catherine.matraves@fcc.gov)

Jim Bird  
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Jessica J. González